
Deficit Reduction Act

1915(i), 1915(j), MFP and PRTF

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Deficit Reduction Act

Major Provisions for HCBS

- 1915(i) HCBS State Plan Option
- 1915(j) Self-Directed PAS State Plan Option
- MFP
- PRTF

HCBS as a State Plan Option 1915(i) of the Social Security Act

***Section 6086 of the
Deficit Reduction Act 2005***



Deficit Reduction Act of 2005

1915 (i) HCBS State Plan Option

- Effective January 1, 2007
- States can amend their state plans to offer HCBS as a state plan optional benefit.
- Breaks the “eligibility link” between HCBS and institutional care
- Individualized, person-centered care plans

1915(i) HCBS State Plan Option

Similarities Between 1915(c) and 1915(i)

- ❑ Evaluation to determine program eligibility
- ❑ Assessment of need for services
- ❑ Plan of care
- ❑ Health and Welfare
- ❑ Quality
- ❑ Self Direction
- ❑ Ability to not apply state-wideness and income and resource rules

HCBS State Plan Option

Differences Between 1915(c) and 1915(i)

- ❑ Financial Eligibility Criteria
- ❑ Program Eligibility
- ❑ Institutional care requirements
- ❑ Length of time for operation
- ❑ Financial estimates
- ❑ Services
- ❑ Waiver of comparability

Financial Eligibility Criteria 1915(i)

1915(c)

- Must be eligible for institutional LOC under state plan
- Eligibility group included in SP
- Post eligibility for those eligible using institutional rules (e.g., special income level group).

1915(i)

- Eligible under State Plan
- 150% of FPL
- Uses community deeming rules
- For medically needy only, can use institutional deeming rules

Program Eligibility

1915(i)

1915(c)

- Must target by LOC
- May additionally target by participant characteristics
 - Disease or condition
 - Age

1915(i)

- No ability to target by population characteristics
- However, state may establish functional criteria specific to the program or an individual service

Institutional Care Requirements 1915(i)

1915(c)

- Must have eligibility criteria at least as stringent as the institutions.
- LOC must be:
equal to or greater than institution but not less than institution

1915(i)

- Needs based, not tied to institutional LOC.
- But, institutional criteria must be more stringent.
- Needs-based eligibility criteria must be:
less than institution

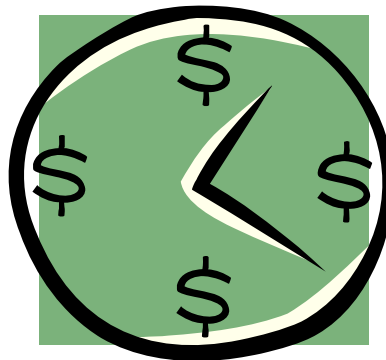
Length of Time for Operation 1915(i)

1915(c)

- 3 years initial
- 5 years upon renewal

1915(i)

- Indefinite



Financial Estimates

1915(i)

1915(c)

- Reasonable estimates of cost and utilization.
- Program must be cost neutral compared to institutional care

1915(i)

- Reveal payment methodology on Attachment 4.19-B of the State Plan.



Services

1915(i)

1915(i) permits the statutory 1915(c) services:

- ❑ Case management
- ❑ Homemaker
- ❑ Home Health Aide
- ❑ Personal Care
- ❑ Adult Day Health
- ❑ Habilitation

Services 1915(i)

- Respite Care
- For Chronic Mental Illness:
- Day treatment or Partial Hosp.
- Psychosocial Rehab
- Clinic Services

But NOT the 1915(c) “Other” flexibility to design unique HCBS waiver services

Waiver of Comparability (Targeting)

1915(c)

- May waive comparability



1915(i)

- May not waive comparability



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Current Status

First 1915(i) SPA Approved

- Iowa is the first state to receive federal approval to add home and community based services (HCBS) as a permanent feature of its Medicaid plan
- Iowa's new benefit will provide statewide HCBS case management services and habilitation services.

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Self-Directed Personal Assistance Services 1915(j) of the Social Security Act

***Section 6087 of the
Deficit Reduction Act 2005***



Deficit Reduction Act of 2005

1915 (j)

- Amends §1915 of SSA – new 1915 (j)

- Effective 1/1/07



- States may elect to provide self-directed personal assistance services (PAS) in the State Plan

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Deficit Reduction Act of 2005

1915 (j)

- Can target populations, limit numbers and limit by geographic areas
- Requires assurances:
 - Safeguards to protect health and welfare & ensure financial accountability
 - Individuals are evaluated for their need for personal care

Deficit Reduction Act of 2005

1915 (j)

- ❑ Participation is voluntary and individuals are informed of feasible alternatives to the PAS program
- ❑ Support system is available prior to and throughout enrollment
- ❑ Annual report
- ❑ Triennial evaluation of impact on health & welfare

Deficit Reduction Act of 2005

1915 (j)

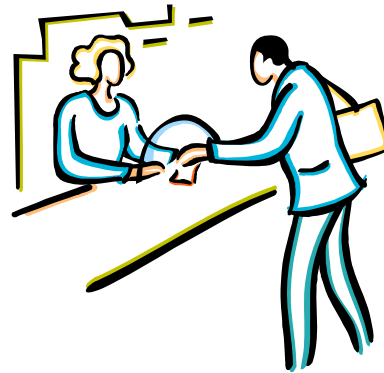
- Individuals have both employer and budget authority:
 - ❑ can hire, fire, supervise and manage workers capable of providing the assigned tasks
 - ❑ can purchase personal assistance and related services
- At State's election:
 - ❑ Can permit hiring of legally liable relatives
 - ❑ Can permit individuals to purchase items that increase independence or substitute for human assistance



Deficit Reduction Act of 2005

1915 (j)

- Individuals have an approved self-directed plan and budget
 - Individuals exercise choice and control over budget, planning and purchase of PAS
 - Individuals' needs, strengths, preferences for PAS are assessed



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Deficit Reduction Act of 2005

1915 (j)

Service Plan and Budget (continued)

- ❑ The plan is developed using person-centered planning process
- ❑ The budget is developed based on the assessment and a methodology that uses valid, reliable cost data and is open to the public
 - Amount is expected cost of services if not self-directed
 - May not restrict access to other medically necessary care & services not included in budget

Deficit Reduction Act of 2005

1915 (j)

- Quality assurance and risk management techniques are in place



- State may employ a financial management entity to make payments to providers, track costs, make reports; payment at the 50% administrative rate

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Current Status

First 1915(j) SPA Submitted

- Alabama is the first State to submit a State Plan Amendment for 1915(j).
- The AL request is currently under review and consideration
- Draft Preprint is now available to States
- State Medicaid Letter & Regulation are being drafted

Money Follows the Person Rebalancing Demonstration

***Section 6071 of the
Deficit Reduction Act 2005***



States Awarded MFP Grants

- Arkansas, California, Connecticut, Indiana, Iowa, Maryland, Michigan, Missouri, Nebraska, New Hampshire, New York, Ohio, Oklahoma, South Carolina, Texas, Washington, & Wisconsin
- There will be a second round of awards in April.

MFP Fundamentals

- \$1.75 billion over five years (January 1, 2007-September 30, 2011)
- Participating states receive an **enhanced FMAP** for 12 months for qualified home and community based services for each person transitioned from an institution to the community.
- Self-direction encouraged.
- “Rebalancing” Benchmarks required.
- States must participate in CMS’ national evaluation.

Enhanced FMAP

- Enhanced match rate for Qualified Services
- Standard FMAP plus the number of percentage points that is 50% of the State share. Total enhanced FMAP not to exceed 90%.

Example: if a State's FMAP is 50% the MFP
FMAP= 75% $[50\% + 0.05(50\%)]$

Qualified Services

- Qualified HCB Program Services
 - ❑ Enhanced Match
 - ❑ Must be continued at the conclusion of the demonstration via waivers or State Plan.
- HCB Demonstration Services
 - ❑ Enhanced Match
 - ❑ No requirement to continue beyond the demonstration.
- Supplemental Demonstration Services
 - ❑ Regular FMAP
 - ❑ Cannot receive Federal reimbursement beyond the demonstration.

Qualified Individuals

- Reside in an institution (6months – 2 year minimum period).
- Institutions include: hospital, nursing facility, or ICF/MR. An IMD is also included to the extent that medical assistance is available under the State plan for service in the IMD.
- Is receiving Medicaid benefits for inpatient services furnished by such inpatient facility.
- Would need HCBS services in order to successfully reside in community based settings.

Qualified Residence

- Where eligible individuals can move to.
 - ❑ A home owned or leased by the individual or the individual's family member.
 - ❑ An apartment with an individual lease, with lockable access and egress, and which includes living, sleeping, bathing, and cooking areas over which the individual or the individual's family has domain and control; **or**
 - ❑ A residence, in a community based residential setting, in which no more than 4 unrelated individuals reside.

Technical Assistance & Quality Assurance and Improvement

- CMS (via a contract) will provide technical assistance to MFP States.
 - Dissemination of information on promising practices.
 - Guidance on systems design elements.
 - Ongoing consultation on quality systems.
 - Design and implementation of programmatic interventions and IT systems.
 - Creating a “community of practice” for participating states.
 - Guidance regarding compliance with the MFP evaluation.

Demonstration Phases

■ Pre-implementation

- ❑ Grantees will have up to 12 months to plan for their demonstration programs.
- ❑ Submit to CMS an operational protocol which will guide the demonstration (target population, eligibility, access, service delivery, QM, etc.)

■ Implementation

- ❑ Once the operational protocols are approved by CMS the State may begin implementation of the project and bill at the enhanced FMAP.

PRTF Demonstration

***Section 6071 of the
Deficit Reduction Act 2005***



PRTF Grantees

- Alaska
 - Georgia
 - Florida
 - Indiana
 - Kansas
 - Maryland
 - Mississippi
 - Montana
 - South Carolina
 - Virginia
-

Purpose of the Demonstration

- To provide an community alternative to institutionalization in PRTFs. PRTFs are not recognized as an institution under the 1915 (C) wavier authority. This demonstration permits states to use the HCBS waiver program/authority to provide services these children and youth will require to remain in the community.
- To Help states to divert children from admission to a PRTF level of care, and keep children and youth in their homes and communities with the services they require to prevent institutionalization.

Demonstration Objectives

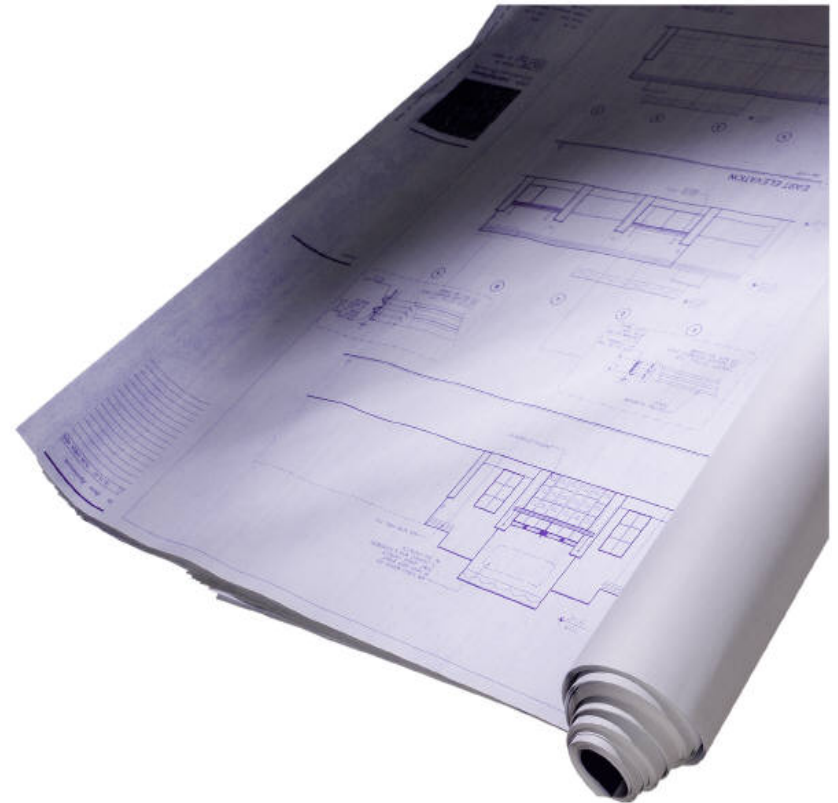
- Test the effectiveness in improving or maintaining a child's functional level in the community in relation to a residential setting
- Test the cost effectiveness of providing HCBS alternatives for children and youth enrolled in the Medicaid program under title XIX in relation to the costs of providing services to children and youth in a PRTF

Demonstration Design

- There are two phases to the demonstration
 - Phase 1 – the pre-implementation phase, States will be given up to 9 months to engage in formal planning and develop an Implementation Plan (IP), (The Web-based HCBS waiver application)
 - Phase 2 – upon CMS's approval of a State's IP, the State can begin to receive federal funding provided by the statute to start transitioning or diverting youths from PRTFs

Implementation Plan (IP)

- The IP will be the 1915c web-based waiver application with modifications. This is done to keep the program within the 1915 (c) regulations as required by Section 6063.
- The statutory assurances under the HCBS waiver program are maintained under this demonstration.



Demonstration Funding

- This demonstration provides for Federal medical assistance percentage (FMAP) to the States for services and administrative costs that are approved under the demonstration for qualified home and community-based services.
- The total funding is:

\$218 million



Funding Levels

- CMS anticipates awarding each successful applicant between \$21.7 and \$50 million over five years increments based on an approved continuation grant process.



Funding Amounts per year

- FY 2007 \$21 million
- FY 2008 \$37 million
- FY 2009 \$49 million
- FY 2010 \$53 million
- FY 2011 \$57 million
- **Total \$217 million Grant funds**
- **\$1 million for the National Evaluation Contract**



Demonstration Time Frame

- Applicants must submit their 1915c PRTFDEMO web-based waiver applications by July 1, 2007. This will begin the unofficial 90 day clock.
- The waivers, if approved, will begin October 1, 2007 and the period of performance will be 10/1/07 through 9/30/08
- **Each year the Grantee will submit a waiver modification to update any changes in enrollees, services and cost neutrality.**

Continuity of Medicaid Coverage

- Upon termination of a demonstration project with respect to child enrolled in the demonstration, a State may choose to:
 - ❑ Continue to provide medical assistance for coverage of home and community-based alternatives to PRTF for the child in accordance with section 1915(c) of the Social Security.
 - ❑ Expenditures incurred for providing such medical assistance shall be treated as a HCBS waiver program under section 1915(c) of the Act for purposes of payment under section 1903 of such Act